

Audit Committee Report for the Fiscal Year 2020

The Corporate Internal Audit Department independently implements the audit plan approved by the Audit Committee and regularly assesses the internal control systems applied within the Group and its subsidiaries inside and outside Saudi Arabia. It also follows up with executive departments on the implementation of recommendations and remedy procedures for remarks provided in its reports.

Judging by internal review reports, the Audit Committee verified the effectiveness of financial, operational and administrative policies and procedures, and it did not reveal any substantial risks that may affect the company's activities. Based on the information obtained by the Audit Committee, there were no major remarks for the year 2020 that may have an impact on the company's financial position. Minor remarks are issued in the framework of the daily activities and business of the company and the industries in which it operates; they are taken into account, and appropriate solutions and procedures are immediately devised for the remedy thereof. It is noteworthy that the Executive Management continues to take the necessary remedy procedures to mitigate risks mentioned in internal review reports and to adhere to the applicable policies, laws and instructions.

The committee also verified the external auditor's independence, and a discussion was conducted regarding the company's performance, including annual and quarterly financial statements and the appended clarifications, all prior to submission to the Board of Directors.

During 2020, the Audit Committee held a total of (7) meetings. The Committee works in compliance with the duties and procedures provided in the Companies' Law, the Corporate Governance Regulations, the Company's Articles of Association, and the Audit Committee's Work Regulations.

Generally, the Audit Committee is confident in the effectiveness of the company's internal control system. Thus, the Committee acknowledges the functionality and effectiveness of the company's internal control system in the realization of the company's purposes and shareholders' benefit.



**Mohammad Sulaiman
Mohammad Al Harbi
(Chairman)**

**Mohammed Ahmed
Mahmoud Al-Ghaith
(Member)**

**Khalid Mohammed Saleh
Al Fuhaid
(Member)**